



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

JAN 10 2007

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 9, 2007

Mr. Mark R. Domke
Director of Engineering Services-Pipeline
Great Lakes Gas Transmission Company
5250 Corporate Drive
Troy, Michigan 48098

CPF 3-2007-1001W

Dear Mr. Domke:

On September 6-21, 2006, a representative of the Minnesota Office of Pipeline Safety acting as an Interstate Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your records in Deer River, MN and Troy, Michigan.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. §192.905(c) How does an operator identify a high consequence area?

(c) Newly identified areas. When an operator has information that the area around a pipeline segment not previously identified as a high consequence area could satisfy any of the definitions in § 192.903, the operator must complete the evaluation using method (1) or (2). If the segment is determined to meet the definition as a high consequence area, it must be incorporated into the operator's baseline assessment plan as a high consequence area within one year from the date the area is identified.

Great Lakes Gas Transmission Company (GLGT) did not incorporate a high consequence area (HCA) into its baseline assessment plan within one year from the date the HCA was

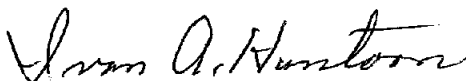
determined to exist. GLGT's personnel formally identified and documented the existence of Tara's Family Day Care Center at 758 1st Street West, in Deer River, MN, on July 26, 2005. GLGT's "Establishment in Vicinity of Right-of-way" form was completed by local personnel and submitted to GLGT's offices in Troy, MI for evaluation. This site is a HCA that had not been added to GLGT's list of HCAs for its baseline assessment plan, at the time of the Minnesota Office of Pipeline Safety's September 6-21, 2006 inspection.

The process for evaluation of these forms and incorporation into the list of HCAs, if appropriate, was found to be inadequate during the Integrity Management Inspection in July and August of 2005 and cited as an item requiring revision in the Notice of Amendment dated March 6, 2006. The procedure/process has been revised as appropriate; however, GLGT had not yet determined that the subject HCA had not been included in its integrity management plan. The baseline assessment segment that contains this new HCA will be assessed with an ILI in 2007 along with the other HCAs previously identified in this segment. There appears to be minimal safety concern in this specific case for the delay in identifying this HCA. Future new HCAs should be incorporated as required with the implementation of the new procedure.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Be advised that failure to do so will result in Great Lakes Gas Transmission Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2007-1001W**.

Sincerely,



Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration